

The Department of Medical Assistance Services



The History of Managed Care in Virginia

November 2008

MEDALLION History

On December 23, 1991, the Centers for Medicare and Medicaid Services (CMS), formerly the Health Care Financing Administration (HCFA), approved the state's 1915(b) waiver application to implement MEDALLION, Virginia Medicaid's Primary Care Case Management (PCCM) program. Goals of the MEDALLION program were established to improve Medicaid recipients' quality of care and to assist in controlling the Commonwealth's escalating health care cost for managed care eligible recipients. The MEDALLION program began as an experiment in managed care to address the fact that (1) many physicians refused to see Medicaid recipients; (2) emergency rooms were often used for primary care; and (3) medical costs were increasing. The MEDALLION PCCM program began in four pilot cities and counties in January 1992. The initial response on the part of providers and beneficiaries was positive and the program achieved cost savings. In 1993, CMS approved the phase-in of the program statewide. The MEDALLION program was expanded statewide in 1995 and Virginia became one of the first states to expand program eligibility to cover Aged, Blind and Disabled beneficiaries.

MEDALLION is based upon the concept of building ongoing relationships between providers and Medicaid recipients. MEDALLION's purpose is to encourage a relationship between the Primary Care Physician (PCP) and Medicaid recipients resulting in a trusting environment called the "medical home." The goals of the MEDALLION program include: enhancing access to care; providing for the continuity of care; providing a "medical home"; promoting patient compliance and responsibility when accessing medical care; and, increasing physician participation in the program. This is accomplished by linking recipients with a source for coordinated primary care, assuring appropriate use of inpatient and emergency room care, reducing unnecessary prescriptions and laboratory tests, and improving access to routine and urgent primary care. MEDALLION provides for all services contained in the State Plan for Medical Assistance.

As with other PCCM programs, the PCP acts as a gatekeeper, providing or coordinating the medical needs of the patient. The primary care provider is the first contact for care offering coverage seven days a week, twenty-four hours a day. The PCP assumes a long-term responsibility for the patient's health while coordinating care within the health care system, especially visits to specialists. Under the MEDALLION program, providers who enroll as PCPs include, but are not limited to, general practice, family practice, internal medicine, and pediatricians. The PCP/patient ratios of MEDALLION compare favorably to other health care delivery systems.

The MEDALLION program provided the Department of Medical Assistance Services (DMAS) with an introduction to managed care. It defined the managed care eligible population, and changed the way recipients and providers view Medicaid enrollees. Because MEDALLION introduced the concept of a PCP to Virginia Medicaid, recipients became accustomed to being viewed as "clients" and were introduced to the concept of seeking referrals. As a result, MEDALLION produced better medical outcomes and promoted the physician/patient relationship, preventive care, and patient education, while reducing the inappropriate use of medical services as Fee-for-Service Medicaid. The MEDALLION program became the foundation of the *Options* and Medallion II programs.

Options History

The *Options* Program was an alternative to MEDALLION that was authorized by the Virginia General Assembly in the 1994 Appropriations Act. Begun in January 1995, the program operated in Tidewater, Central Virginia and Northern Virginia localities, providing clients with the option of voluntarily enrolling with Managed Care Organizations (MCOs) that contracted with DMAS or participating in the MEDALLION PCCM program. The program required that only one MCO participate in a locality, but in the urban areas several MCOs participated. The participating plans were: Optimum Choice of MAMSI, Sentara Family Care, Trigon Health Keepers Plus, Virginia Premier, and Southern Health-Care/Net. The MCOs received a monthly fee for each Medicaid recipient, assumed the financial risk for the recipient's health care, and were responsible for providing all the health care required by the individual.

The *Options* program was a stepping stone for more comprehensive managed care projects. It was the first time MCOs were introduced to Medicaid recipients and provider communities in the Commonwealth. In addition, it was the first time enhanced services (the elimination of co-payments and adult dental and vision services) were provided to the Medicaid population. *Options* provided the Department with invaluable contracting and policy development experience upon which to build and expand. The *Options* program set the foundation for the Medallion II expansions in Tidewater and Central Virginia. The *Options* program operated until April 1999 and the expansion of the Medallion II program into the Central Virginia area.

Medallion II History

Medallion II, a mandatory Managed Care Organization (MCO) program, was built on DMAS initiatives to expand the use of managed care organizations for the delivery of health care to Medicaid recipients. Medallion II was created for the purposes of further improving access to care, promoting disease prevention, ensuring quality care, and reducing Medicaid expenditures. The program requires mandatory enrollment into a contracted MCO for certain groups of Medicaid recipients. It has provided the Commonwealth with the most value per taxpayer dollar for the provision of high quality health care and provides an integrated, comprehensive delivery system to recipients.

Medallion II began January 1, 1996 and covered managed care recipients in seven (7) Tidewater localities. The program expanded in November of 1997 to an additional six cities and counties adjacent to Tidewater. At that time, the Medallion II MCOs administered Medicaid services to approximately 80,000 Medicaid recipients.

As a result of the success of Medallion II in the Tidewater area, DMAS further expanded Medallion II to 33 cities and counties in Central Virginia in April 1999. These cities and counties included Richmond, Hopewell, Petersburg, and their surrounding areas. Effective October 1, 2000, Medallion II expanded to nine localities including Fredericksburg and Mecklenburg. At that time, the Medallion II MCOs administered Medicaid services to approximately 160,000 Medicaid individuals.

On December 1, 2001, the Department expanded Medallion II into 48 localities including the areas of Danville, Roanoke, Charlottesville and Northern Virginia. The Medallion II program was modified for this expansion to allow the MEDALLION and the Medallion II programs to operate concurrently in the same area. This affected 33 areas and, in order to implement, the Centers for Medicare and Medicaid Services (CMS) 1915(b) waiver was modified and the Medallion II regulations were changed to support the initiative.

As of December 2001, seven MCO partners served the Medallion II program. They were: Trigon HealthKeepers Plus by HealthKeepers, Trigon HealthKeepers Plus by Peninsula Health Care, Trigon HealthKeepers Plus by Priority Health Care, Sentara Family Care, Southern Health CareNet, UniCare by Wellpoint, and Virginia Premier. Six of the MCOs had been accredited by a national accreditation organization. Four had received excellent status from the National Committee for Quality Assurance (NCQA). The program has been successful in enhancing access and availability of care by requiring MCOs to maintain an adequate network of physicians, hospitals, ancillary, transportation, and specialty providers. Medallion II promotes preventive care services, as well as the continuity and appropriateness of care. The MCOs provide extensive member services including 24-hour nurse advice lines, as well as offering enhanced services, e.g., adult vision services; enhanced pre-natal programs; case management services; and group and individualized health education. Complaints for the Medallion II program have been historically low.

On July 1, 2005, the Department carved out dental services from the Medallion II and FAMIS programs and brought dental under a single administrator, Doral Dental. The new dental program was named *Smiles for Children*. The single vendor approach was expected to increase access to dental services for enrollees. As a result of this new program, there are 82% more dentists participating and 14% more children are receiving dental care.

With approval from CMS, effective September 1, 2005, DMAS contracted with a new MCO, AMERIGROUP, Inc., for the northern Virginia region, eliminating the MEDALLION PCCM program in that area. Also, effective December 1, 2005, three MCOs, Anthem HealthKeepers Plus, Optima Family Care, and Virginia Premier Health Plan, signed contracts with DMAS to begin providing services to Medicaid and FAMIS individuals in the city of Winchester and the surrounding area. The Northern and Winchester expansions increased the number of MCO cities and counties to 110, affecting over 380,000 individuals.

On July 1, 2006, AMERIGROUP entered the county of Culpeper and on September 1, 2006, Virginia Premier, entered Halifax, Charlotte, Pittsylvania and Danville. In addition to expanding into new areas, DMAS also added a new population to managed care eligible. The Aged, Blind or Disabled individuals who have income up to 80% of the FPL were included as of July 1, 2006.

On July 1, 2007, Peninsula Health Care, Priority Health Care and Health Keepers Plus merged to operate as one contract with the Department. All three MCOs are now wholly owned by Anthem who holds the single contract with the Department. The three MCOs continue to operate for the time being under their original names given that they have name and brand recognition in the specific region in which they operate. As a result of the merger, there are now five contracted MCOs delivering services to recipients.

Effective September 1, 2007, DMAS began the integration of acute and long term care services into managed care. As of this date, if an individual is already enrolled with an MCO and is subsequently approved for enrollment into a Medicaid Home-and-Community Based Waiver (excluding those enrolled into the Technology Assisted Waiver), s/he will remain in their assigned MCO for their medical services and transportation to medical appointments; however, the waiver services (including transport to the waiver services) are paid by fee-for-service. This change prevents the disruption of the medical care to receive waiver services. About 500 enrollees are impacted annually.

On October 1, 2007, Optima Family Care, Virginia Premier Health Plan, and Southern Health CareNet expanded their managed care operations into the city of Lynchburg, and the counties of Amherst, Appomattox, and Campbell. The Department and the MCOs spent more than a year preparing providers and enrollees for the expansion. Approximately 14,000 former Medicaid and FAMIS FFS enrollees now receive their health care services through one of the three contracted MCOs. The expansion resulted with very little impact on any enrollees or providers and has been well-received.

On November 1, 2008, CareNet joined Anthem HealthKeepers Plus, Optima Family Care, and Virginia Premier, as another managed care organization choice for Medicaid and FAMIS recipients located in Albemarle, Augusta, Buckingham, Charlottesville, Fluvanna, Greene, Louisa, Nelson, Orange, Staunton, and Waynesboro.

DMAS is committed to continually enhancing our partnership with the Medicaid providers, case managers, client advocates, outreach workers, and the Medicaid contracted MCOs to ensure continuity of care to individuals. Managed Care continues to be a main focus of the Department.

Family Access to Medical Insurance Security Plan (FAMIS) History

The Balanced Budget Act of 1997 amended the Social Security Act to add Title XXI, the State Children's Health Insurance Program (SCHIP). SCHIP, under Title XXI, is jointly financed by the Federal and State governments and is administered by the States. SCHIP enables states to insure children from working families with incomes too high to qualify for Medicaid but too low to afford private health insurance. SCHIP programs may be operated as separate state programs, as a Medicaid expansion, or a combination of both. In October 1998, Virginia created a separate program, the Children's Medical Security Insurance Plan (CMSIP), in order to afford greater flexibility to design its program within the broad parameters established in the federal legislation.

The 2000 Virginia General Assembly passed legislation that substantially changed the children's health program and CMSIP was amended to the Family Access to Medical Insurance Security Plan (FAMIS). FAMIS provided a new array of comprehensive health care benefits to children. FAMIS simplified the enrollment process; increased access to a broader array of providers through private-sector health insurance programs; enabled participants who have access to employer-sponsored health insurance coverage to enroll in the employers plans if determined cost effective; implemented cost sharing for all eligible children in the family; and established a

centralized processing unit for information dissemination, eligibility determination, and enrollment.

FAMIS health care benefits are modeled after the state employee benefit plan, Key Advantage, and are different from CMSIP and Medicaid benefits. This package includes well baby and well child visits, vision and hearing services, coverage for mental health and substance abuse, as well as a full array of comprehensive medical services.

There are costs for families associated with the FAMIS program. All families with children enrolled in FAMIS are required to pay small co-payments for services (doctor visits, prescriptions, etc.). Preventive health care services and well baby/well child care services do not require a co-payment.

DMAS implemented the FAMIS MOMS program on August 1, 2005. FAMIS MOMS provides enrollees the same coverage that pregnant women currently receive from the Virginia Medicaid program. FAMIS MOMS expands this coverage to include pregnant women within certain family incomes. There is no difference in covered services, service limitations, and pre-authorization requirements. FAMIS MOMS will use the same health care services delivery system (fee for service and managed care organizations) as FAMIS.

FAMIS *Select* is a program that gives parents of FAMIS approved children the freedom to choose between covering their children with the FAMIS health insurance plan or with a private or employer's health plan. FAMIS *Select* gives parents that choose to purchase private or employer sponsored health insurance \$100 per child per month to help pay the child's part of the premium. FAMIS *Select* may allow your child to continue to see a doctor or dentist that may not accept FAMIS. In some cases, a private or employer plan may give a family greater choice of providers. For some families, the FAMIS *Select* payment will be enough to make health coverage affordable for the entire family.

Conclusion

The increased use of managed care has been demonstrated to not only reduce costs, but also improve the efficiency, quality, and access to care for the Medicaid and FAMIS populations. The MEDALLION program prepared clients and providers for the next step toward a more structured managed care program by increasing their understanding and responsibility. The FAMIS program effectively provides needed medical services to the uninsured population of the Commonwealth.

The Medallion II and FAMIS programs provide the Commonwealth with the most value per taxpayer dollar for the provision of high quality health care and provide an integrated, comprehensive delivery system to the recipients. In areas of the Commonwealth where the Medallion II program has not been implemented or works in conjunction with MEDALLION, the MEDALLION program provides the Medicaid population with a needed medical "home" by providing a primary care provider. In summary, Virginia's managed care programs are providing high quality services to Medicaid recipients throughout the Commonwealth.

Effective 11/01/08

LOCALITY NAME	MEDALLION	Medallion II	MEDALLION/Medallion II
ACCOMACK		Medallion II	
ALBEMARLE		Medallion II	
ALLEGHANY	MEDALLION		
AMELIA		Medallion II	
AMHERST		Medallion II	
APPOMATTOX		Medallion II	
ARLINGTON		Medallion II	
AUGUSTA		Medallion II	
BATH	MEDALLION		
BEDFORD COUNTY			MEDALLION/Medallion II
BLAND	MEDALLION		
BOTETOURT			MEDALLION/Medallion II
BRUNSWICK		Medallion II	
BUCHANAN	MEDALLION		
BUCKINGHAM		Medallion II	
CAMPBELL		Medallion II	
CAROLINE		Medallion II	
CARROLL	MEDALLION		
CHARLES CITY		Medallion II	
CHARLOTTE		Medallion II	
CHESTERFIELD		Medallion II	
CLARKE		Medallion II	
CRAIG COUNTY	MEDALLION		
CULPEPER		Medallion II	
CUMBERLAND		Medallion II	
DICKENSON	MEDALLION		
DINWIDDIE		Medallion II	
ESSEX		Medallion II	
FAIRFAX COUNTY		Medallion II	
FAUQUIER		Medallion II	
FLOYD			MEDALLION/Medallion II
FLUVANNA		Medallion II	
FRANKLIN COUNTY			MEDALLION/Medallion II
FREDERICK		Medallion II	
GILES			MEDALLION/Medallion II
GLOUCESTER		Medallion II	

LOCALITY NAME	MEDALLION	Medallion II	MEDALLION/Medallion II
GOOCHLAND		Medallion II	
GRAYSON	MEDALLION		
GREENE		Medallion II	
GREENSVILLE		Medallion II	
HALIFAX		Medallion II	
HANOVER		Medallion II	
HENRICO		Medallion II	
HENRY			MEDALLION/Medallion II
HIGHLAND	MEDALLION		
ISLE OF WIGHT		Medallion II	
JAMES CITY		Medallion II	
KING AND QUEEN		Medallion II	
KING GEORGE		Medallion II	
KING WILLIAM		Medallion II	
LANCASTER		Medallion II	
LEE	MEDALLION		
LOUDOUN		Medallion II	
LOUISA		Medallion II	
LUNENBURG		Medallion II	
MADISON		Medallion II	
MATHEWS		Medallion II	
MECKLENBURG		Medallion II	
MIDDLESEX		Medallion II	
MONTGOMERY			MEDALLION/Medallion II
NELSON		Medallion II	
NEW KENT		Medallion II	
NORTHAMPTON		Medallion II	
NORTHUMBERLAND		Medallion II	
NOTTOWAY		Medallion II	
ORANGE		Medallion II	
PAGE		Medallion II	
PATRICK			MEDALLION/Medallion II
PITTSYLVANIA		Medallion II	
POWHATAN		Medallion II	
PRINCE EDWARD		Medallion II	
PRINCE GEORGE		Medallion II	

LOCALITY NAME	MEDALLION	Medallion II	MEDALLION/Medallion II
PRINCE WILLIAM		Medallion II	
PULASKI			MEDALLION/Medallion II
RAPPANHANNOCK		Medallion II	
RICHMOND COUNTY		Medallion II	
ROANOKE COUNTY			MEDALLION/Medallion II
ROCKBRIDGE			MEDALLION/Medallion II
ROCKINGHAM		Medallion II	
RUSSELL	MEDALLION		
SCOTT	MEDALLION		
SHENANDOAH		Medallion II	
SMYTH	MEDALLION		
SOUTHAMPTON		Medallion II	
SPOTSYLVANIA		Medallion II	
STAFFORD		Medallion II	
SURRY		Medallion II	
SUSSEX		Medallion II	
TAZEWELL	MEDALLION		
WARREN		Medallion II	
WASHINGTON	MEDALLION		
WESTMORELAND		Medallion II	
WISE	MEDALLION		
WYTHE			MEDALLION/Medallion II
YORK		Medallion II	
ALEXANDRIA		Medallion II	
BEDFORD CITY			MEDALLION/Medallion II
BRISTOL	MEDALLION		
BUENA VISTA			MEDALLION/Medallion II
CHARLOTTESVILLE		Medallion II	
CHESAPEAKE		Medallion II	
COLONIAL HEIGHTS		Medallion II	
COVINGTON	MEDALLION		
DANVILLE		Medallion II	
EMPORIA		Medallion II	
FAIRFAX		Medallion II	
FALLS CHURCH		Medallion II	

LOCALITY NAME	MEDALLION	Medallion II	MEDALLION/Medallion II
FRANKLIN		Medallion II	
FREDERICKSBURG		Medallion II	
GALAX	MEDALLION		
HAMPTON		Medallion II	
HARRISONBURG		Medallion II	
HOPEWELL		Medallion II	
LEXINGTON			MEDALLION/Medallion II
LYNCHBURG		Medallion II	
MANASSAS CITY		Medallion II	
MANASSAS PARK		Medallion II	
MARTINSVILLE			MEDALLION/Medallion II
NEWPORT NEWS		Medallion II	
NORFOLK		Medallion II	
NORTON	MEDALLION		
PETERSBURG		Medallion II	
POQUOSON		Medallion II	
PORTSMOUTH		Medallion II	
RADFORD			MEDALLION/Medallion II
RICHMOND		Medallion II	
ROANOKE CITY			MEDALLION/Medallion II
SALEM			MEDALLION/Medallion II
STAUNTON		Medallion II	
SUFFOLK		Medallion II	
VIRGINIA BEACH		Medallion II	
WAYNESBORO		Medallion II	
WILLIAMSBURG		Medallion II	
WINCHESTER		Medallion II	